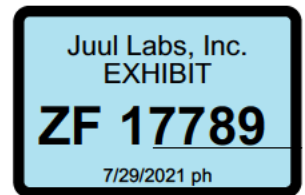


EXHIBIT 1

EXHIBIT FILED UNDER SEAL

From: Tyler Goldman on behalf of Tyler Goldman <tyler@pax.com>
To: Isaac Pritzker
CC: Zachary Frankel; tyler@juulabs.com; Riaz Valani; Nicholas J. Pritzker
Sent: 7/30/2017 7:13:16 PM
Subject: Re: Some notes from Altria Meeting



Very helpful context/insights along with Zach's notes. Thx

On Sunday, July 30, 2017, Isaac Pritzker <isaac@taocap.com> wrote:
 Thanks for note taking, forgot some of that. Tacking on a few thoughts:

Although they proposed an equity investment and collaboration on distribution, marketing, etc. they also intimated that they had done deals with every structure under the sun and were very open to discussion along other lines.

Mentioned the innovation machine inherent in the company and management team multiple times, and expressed their desire to complement it but keep it intact.

Played it very cool re. FDA announcement, said they knew it was coming and actually claimed to have collaborated in informing that decision. That is either a partial or complete lie, or if true, they must feel they are well positioned enough to take advantage of the switch from combustible to other delivery systems. If IQOS does as well in US as it has in Japan, maybe that's true, although I think that *zero* Juul users would churn to IQOS, vice versa different story. Nevertheless they are (reluctantly?) towing the party line, i.e. PMI's "Designing a Smoke Free Future."

Both had tried the product and allowed that it was phenomenal. Downplayed their interest. Willard at times pulling (reluctantly?) at a MarkTen. Openness to deal, to me, belied their partial understanding of what was at stake, but didn't get the sense they see us as a risk to them yet.

Suggested that US should be our absolute priority, citing most promising adoption of vapor. But they didn't seem to factor in outsized marketing and availability in US vs. other geos, and may have also been including the success of PHIX, VE, and other products obviously riding Juul coattails. More simply, I don't believe the lack of global popularity of ineffective vapor devices suggests anything whatsoever about the potential popularity of Juul.

I wasn't convinced they were sufficiently aware of growth and product advantage of Juul to create the conditions for a particularly favorable deal. Not to mention, in light of the FDA announcement, I think there is potential that their partnership could do more to harm our regulatory positioning than to help it.

That said and for what it's worth, I would like to switch every adult smoker in the world to Juul and then off of nicotine entirely and I'm reasonably open to how we accomplish that.

-Isaac

On Jul 31, 2017, at 12:30 AM, Zachary Frankel [REDACTED] wrote:

These notes are disjointed but just a transcription of what I have jotted down

60% of smokers open to substitution

Youth usage is what sparked tobacco demonization in the first place and important to combat

Retail now get carded with 99% compliance in part because of their programs

Other things Altria does for youth prevention

- provide POS materials for anti youth as well
- merchandising
- in depth training
- positive youth development organizations like YMCA
- responsible and judicious in marketing product
- avoid flavored products and where you have flavors, use complex flavors
- names of products should not appeal to children
- age gate at 21 because
- use of data + technology to market only to adult tobacco consumers
- > most responsible marketing should be INVISIBLE
- billboards were very effective but too much risk of pushback + public misperceptions
- not all about reach

Goal is to provide "pleasurable moment" to consumers with reduced harm

This Juul is in sweet spot to make strategic decisions based on

1. Strong Product
2. Innovation systems
3. Strong team

Thinks that

1. Market is going to get more crowded - hinted that big tobacco could buy another product which was not he market before august 16' and put marketing muscle behind it
2. Regulatory process is hard to predict
3. hard to do postmarked surveillance

And altria could help with

1. Access to distribution and sales team
2. FDA + regulatory engagement as well as whole gov't affairs org
3. Expertise in brand building and maintenance

Also mentioned think there engineers could help us with supply

Believers there may be an opportunity where the two of us working together is highly complementary

Interested in a minority investment where we continue operations as is without their interference but with their help

Also thinks that could use their database of adult tobacco consumers to target juul

In 21-29 you see different use patterns including dip, smoking, and vaping but cigarettes are still the product to beat

Other things they think will matter:

- product and tech evolution in the category
- excise tax changes
- HNB category building
- Brand Equity

Would invest at "EXCESS OF TOBACCO MULTIPLES"

Provide Access to other Altria Resources

- i.e. 25 people on the ground in china (thought this was surprising to mention)
- Distribution across 150k doors that matter

-Thinks very hard to drive trial at C store doors directly and should be done digitally

-But C-stores still part of people's ritual in buying cigarettes --> will be in ritual for buying pods

Think we should develop

-1 to 1 support for quitting

-very good digital reach

Iqos rollout is very expensive because product is complicated so requires a lot of education.

-thinks some consumers want the tobacco flavor --> prefer hnb + iqos

Sent from my iPad

--

Tyler Goldman | CEO

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